Appalachian Project goes about improving the lives of those in Appalachia.

''Cut it like this,'' instructs Jay G. Dresser, a CAP volunteer for 15 years, as he takes a power saw from one of the students to demonstrate how to notch a 2x4. A few feet away, students are in the bathroom ripping up rotted flooring while another group works in the bedroom. It is dark and nippy inside the modest home, but no one seems to notice as a happy cacophony of saws, hammers, and laughter fills the house.

''That's better,'' Dresser encourages. ''Push this. Now pull the plate all the way out. Now stand it up and let me reset the blade.''

A few miles away, a similar scene unfolds at the home of Betty, also a Jackson Energy Cooperative member, and the daughter and her fiancé, cousin, and four grandchildren who live with her in a mobile home that has been added to over the years. New windows are already in place and two volunteers are at work on the roof.

''The kids now have a warm bedroom,'' says Betty. A fire in the kitchen earlier had done extensive damage to another part of the house, but she did not have the ability to repair it. ''I just did the best I could,'' she says. ''My sister-in-law fell through the porch and the refrigerator almost landed on her.''

''My son passed with leukemia when he was 32,'' Betty says, her long brown hair now streaked with gray. ''He always told me if he won the lottery he would bulldoze down this house and build me a new home. I wish he was here to see this. They have done miracles.''

Everyday miracles are what CAP has come to be known for as it has grown into the 16th-largest human services charity in the country with 160 employees and as many as 50 long-term volunteers.

CAP's Housing Program, which coordinates WorkFest and YouthFest, a spring-break alternative program for high school students, provides home repair and reconstruction services year-round. Permanent crews, including an experienced, industry-trained crew leader and several long-term volunteers, perform all types of home repairs.

Families requesting help fill out an application, which is reviewed by a caseworker who then schedules a home visit to assess the applicant's needs. The families go through a budgeting process and in monthly installments pay back one-half of the material costs (up to a maximum of 5 percent of their income). They also donate sweat equity. All the labor is donated for the homes that CAP builds or repairs.

Across Appalachia, similar projects are under way. A CAP-operated food pantry called Grateful Bread warded off hunger for 800 families last year, and Grateful Threadz, a store accepting donations of gently used clothing, helped thousands of individuals and families. Prescription assistance helped 709, family advocacy served 4,980, elderly services 267, and domestic violence shelters 2,640. It is the same with numerous other programs. In all, the organization reached more than 50,000 people last year. Each represents a need met, a better life.

''We exist to serve God,'' says CAP President Guy Adams. ''That is a high calling. How we do that is helping people in need in Appalachia.''

TRIBUTE TO JAMES A. STEM

Mr. DURBIN. Mr. President, today, I want to talk about an incredible champion of America's railroads. James A. Stem, Jr., has been a tireless advocate for the men and women who keep our Nation's railroads operating for nearly 50 years. He has done just about every job in the industry and will soon be retiring as the national legislative director of the Transportation Division of the Sheet Metal, Air, Rail, Transportation Workers, formerly the United Transportation Union, UTU.

James began his career in 1966 as a trainman for the Seaboard Air Line Railroad in his native Raleigh, NC. He joined the Brotherhood of Railroad Trainmen and worked in numerous capacities including as a trainman, switchman, hostler helper, hostler, fireman, and locomotive engineer. He even holds seniority as a locomotive engineer on a CSX line.

In the 1970s, James became much more involved in rail labor in North Carolina for the United Transportation Union. He was a delegate to five UTU International conventions and was eventually elected as the North Carolina State legislative director in 1984. He would go on to become the UTU alternate national legislative director in 1998, serving alongside a legend, James Brunkenhoefer—also known as ''Brokenrail.'' James was elevated to national legislative director in 2009. In 2011, United Transportation Union and Sheet Metal Workers International Association merged to become the International Association of Sheet Metal, Air, Rail and Transportation Workers. James continued his work with an even larger membership, now more than 216,000 strong.

James has frequently testified before Congress, always advocating for the betterment of working men and women in the railroad industry. He was part of the original 1997 Positive Train Control Working Group sponsored by the Federal Railroad Administration.

James has been a great defender of Amtrak and commuter rail and a strong proponent of high speed rail. When cuts threatened the effectiveness of passenger rail, James fought to block them on Capitol Hill. When railroad workers needed improved health and safety benefits, James was there. He has tirelessly advocated for the working men and women on the railroads, making sure they have good paying jobs, proper health care, and a solid retirement.

James' influence can be felt at almost every level of government, within the industry, and inside rail labor. Two of his former UTU colleagues currently serve as Federal Railroad Administrator and Chairman of the Surface Transportation Board. Both will tell you that without James's leadership and friendship, they would not be where they are today.

It is with great pride that I congratulate James A. Stem, Jr. for his long career in the railroad industry and for the incalculable contributions he made there. I wish James and his wife Bonnie well in their retirement and hope they are able to enjoy extended family time with their children and grandchildren.

H.R. 3043 AND S. 1507

Mr. MORAN. I wish to engage in a colloquy with the chairman of the Finance Committee, Senator WYDEN, and with Senator HEITKAMP, to clarify several questions that have arisen since H.R. 3043 and S. 1507 were introduced.

I say to the chairman, the term general welfare is found in the Preamble to the Constitution, and the power and duty of governments to promote the general welfare is at the core of our service to the people. Indian Tribes, through treaties, agreements, and statutes, reserved their original, inherent right to self-government, and Tribal governments are in the best position to determine the general welfare interests of the Indian people. H.R. 3043 and S. 1507 are intended to respect the right of Indian Tribes to provide for the general welfare of Tribal members.

I ask the chairman, is it your understanding that in interpreting the meaning of the requirement under the bill that Indian Tribal government programs be ''for the promotion of the general welfare,'' it is intended that the IRS will apply this requirement in a manner no less favorable than the safe harbor approach provided for in Revenue Procedure 2014–35, and in no event will the IRS require an individualized determination of financial need where a Tribal program meets all other requirements of new section 139E as added by the bill?

Mr. WYDEN. The Senator is correct. I want to express my full support for the administrative guidance issued by the IRS in Rev. Proc. 2014–35. I would also point out to the Senator that the bill requires under its ''Statutory Construction'' provision of section 2(c), that any ambiguities in new Code section 139E shall be resolved by the IRS in favor of Indian Tribal governments and deference shall be given to Indian Tribal governments for programs administered and authorized by the Tribe to benefit the general welfare of the Tribal community.

Ms. HEITKAMP. As the chairman knows, there have been concerns expressed in Indian Country that the IRS may take the occasion of passage of H.R. 3043 or S. 1507 to retrench, narrow or possibly withdraw the administrative guidance provided in Rev. Proc. 2014–35 after enactment of the bill. As the sponsor of this legislation, I would like to say that would be contrary to the intent of Congress.

Mr. WYDEN. I fully share the Senator's concern and want to assure her as well as Tribal interests that the Congressional intent, as well as mine as chairman of the Finance Committee, is to expand rather than restrict the safe harbor provisions in Rev. Proc. 2014–35. The purpose of this legislation is to further empower Tribal self-determination. Tribes, and not the IRS, are in the best position to determine the needs of their members and provide for the general welfare of their Tribal citizens and communities.

TRIBAL GENERAL WELFARE EXCLUSION ACT OF 2014

Mr. WYDEN. Mr. President, I rise as chairman of the Senate Finance Committee to strongly support the Senate's passage of an important tax bill, H.R. 3043, the Tribal General Welfare Exclusion Act of 2014. This bill will improve the application of the Federal income tax in Indian Country and in doing so will reflect appropriate respect for the sovereignty of tribal governments.

By way of background, the Federal Tax Code treats most payments that individuals receive, and the value of some services they receive, as taxable income. There is an exclusion, though, for payments and services received under programs conducted by State and local governments. It's called the general welfare exclusion, and it covers things like housing assistance, emergency medical care, and education assistance. These are traditionally treated as nontaxable.

Unfortunately, the IRS has had difficulty applying the general welfare exclusion when it comes to benefits provided by tribal governments to tribal members. In order to determine which benefits were excluded from taxation, the IRS began conducting aggressive audits, leaving the tax treatment of many tribe-provided benefits in doubt. As Delores Pigsley, chairman of the Confederated Tribes of Siletz Indians Tribal Council, put it in a letter to me, ''for several years, the IRS has sought to tax tribal government programs and services.'' This, in turn, has undermined tribal sovereignty and hindered economic and social development.

I am pleased to report that there has been some significant progress. In July, the IRS issued regulations clarifying the application of the exclusion, and the regulations were a good step in the right direction, clearing up some questions and reflecting an improved dialogue between the IRS and tribes. However, a regulation is not a congressional statute; we need to lock these improvements into statutory law, as well as expand on them such as by establishing a Tribal Advisory Committee to help the Treasury Department and the IRS understand about how best to address tax issues affecting Indian Country.

The bill we are considering today would accomplish these goals. It codifies and expands IRS regulations, draws clear lines, and gives greater respect to tribal institutions and programs.

I would like to acknowledge the principal sponsors of the Senate version of the bill, Senators MORAN and HEITKAMP, for their leadership. I also would like to thank Senators STABENOW, THUNE, and other members of the Finance Committee, who have urged the committee to move forward on this issue.

Tribal governments have a long history of providing critical benefits to tribal members, and these programs are fundamental to the sovereignty and cultural integrity of tribes. Tribes, and not the IRS, are in the best position to determine the needs of their members and provide for the general welfare of their tribal citizens and communities. I know this bill has the support of tribes in my home State of Oregon and will benefit tribes and tribal members across the Nation. I urge all Senators to support the bill.

AMENDING THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Mr. HARKIN. Mr. President, as chairman of the Health, Education, Labor, and Pensions Committee, the pension community approached me with their concerns that the Pension Benefit Guaranty Corporation was interpreting section 4062(e) of the Employee Retirement Income Security Act of 1974 too broadly. That provision was intended to protect pension plan participants in the event of a cessation of operations at a facility. However, the pension community was able to provide substantial evidence that the corporation's enforcement efforts were out of line with congressional intent to such an extent that section 4062(e) had become a major impediment to businesses' efforts to restructure. After a thorough review of the situation and consultation with employers, employees, retirees, and the Obama administration, it became abundantly clear that enforcement efforts under section 4062(e) were failing to protect either pensions or the corporation.

Consequently, I worked with the ranking member, Senator ALEXANDER, on a new approach that we introduced as S. 2511. That legislation, which passed out of committee on a unanimous vote, will restore the original intent of section 4062(e) by clarifying the types of cessations of operations that trigger downsizing liability. The legislation will give plan sponsors certainty with respect to their obligations, and it will also ensures that participants are protected when workforce reductions signal that the ongoing viability of a plan sponsor is in question.

Overall, S. 2511 represents a significant compromise between the needs of employers, employees, and retirees, and I think it will give everyone a lot more clarity with regard to their obligations under section 4062(e). However, there are a few points about the bill that I would like to clarify.

First, there may be questions as to how the terms ''facility'' and ''location'' should be interpreted. They are not explicitly defined in S. 2511 because we intend for them to be interpreted according to their natural usage. For example, if an employer maintains several buildings that are physically adjacent to each other, that would be a single facility at a single location. However, if the employer maintains a building in one part of a city and another building in another part of the city, those buildings would be separate facilities at separate locations.

Second, S. 2511 is intended to allow employers to make conditional elections. The legislation allows employers that have a substantial cessation under section 4062(e) to elect a new, alternative means of satisfying their liability. The election must be made not later than 30 days after the earlier of the date that the employer notifies the corporation of a substantial cessation of operations or the date that the corporation makes a final administrative determination both that a substantial cessation of operations has occurred and of the amount of the alternative liability. Of course, there may be instances in which it is uncertain as to whether such a cessation has occurred or the amount of the alternative liability, if any, even after a final administrative determination has been made by the corporation. In those cases, the employer would certainly not be required to make a binding election to pay amounts that may later be determined not to be due. Thus, in all cases, an election by the employer would become inapplicable to the extent that a court subsequently rules or the corporation later agrees that a cessation has not occurred or that the alternative liability amount is lower than the amount determined by the corporation.

To the extent that an election becomes inapplicable, any contributions previously made by the employer to satisfy such inapplicable liability amount should be treated as additional funding contributions that are not subject to the provisions of the bill. Consequently, such additional funding contributions could be treated as increasing the employer's prefunding balance. In addition, we fully intend for the corporation and the courts to have the power to stay, in whole or in part, an employer's obligation to make alternative liability payments until the court has determined whether there has been a substantial cessation and/or the alternative liability amount.

In other cases, a substantial cessation may have occurred, but there is no liability of any kind due to the corporation's enforcement policy. We expect that some employers may want to make an election of the alternative liability amount in case the employer's financial condition changes and the corporation asserts a liability under section 4062(e). In such cases, the annual amount due under the alternative liability method would be zero until the corporation makes a final administrative determination that the corporation's enforcement policy no longer applies to such employer. To ensure that a substantial cessation in one year cannot cause liabilities 10 or 20 years later, for example, the 7-year payment period for the alternative liability amount would include years in which the amount due is zero.

In order to ensure that any reporting requirement that may later be determined to apply is satisfied, an employer may notify the corporation of